



2018 Legislative and Regulatory Priorities

The National Council of State Housing Agencies (NCSHA) is a national nonprofit, nonpartisan organization created by the nation's state Housing Finance Agencies (HFAs) to advance through advocacy and education their efforts to provide affordable housing to those who need it. NCSHA's priorities, adopted annually by its Board of Directors after consultation with all its HFA members, set the agenda for NCSHA's advocacy before Congress, the Administration, and the federal agencies concerned with housing, including the Department of Housing and Urban Development (HUD), the Department of Agriculture, and the Treasury.

NCSHA's overarching goal is an affordably housed nation. To achieve this, NCSHA will pursue on behalf of its HFA members the federal housing resources, policies, and flexibility necessary for them to respond fully to the broad spectrum of affordable housing needs they serve, including housing for families, persons with special needs, the elderly, and the homeless and those at risk of homelessness; through homeownership and rental housing; with both new production and preservation; and in urban, suburban, and rural areas.

Taking into account the opportunities and risks HFAs confront in the Washington environment, NCSHA in 2018 will seek to:

- Preserve and strengthen the Low Income Housing Tax Credit, including by increasing its authority by at least 50 percent (see Appendix for more detail).
- Preserve and strengthen the private activity tax-exempt Housing Bond program, including by establishing a national pool through which expired bond authority is redistributed to states that exhaust theirs (see Appendix for more detail).
- Increase HOME Investment Partnerships program and Section 8 project-based assistance and voucher funding.
- Preserve and strengthen Federal Housing Administration (FHA)-HFA partnerships, including single-family down payment assistance and the multifamily FHA-HFA Risk-Sharing Federal Financing Bank (FFB) Initiative.
- Secure federal housing finance reform that establishes a system with a strong dedication to affordable housing and the HFA delivery system and provides a dedicated funding source for the Housing Trust Fund.
- Strengthen the Department of Agriculture's rural housing programs and facilitate their coordination with the Housing Credit and other HFA-administered programs.
- Promote HFA interests in HUD's Performance-Based Contract Administration (PBCA) program.



Appendix: 2018 Housing Bond and Credit Priorities

Housing Credit and Bonds

- Increase Low Income Housing Tax Credit authority by at least 50 percent.
- Establish a national pool through which expired private activity tax-exempt Housing Bond authority is redistributed to states that exhaust theirs.
- Achieve permanent minimum Housing Credit rates for the 4 percent Credit, both for acquisition and bond-financed Credits.
- Establish a state-determined basis boost of up to 30 percent for 4 percent Credits in bond-financed properties.
- Amend the Housing Credit program tenant income limits to allow for income averaging, which would allow access by low-income families (up to 80 percent of area median income) to Housing Credit apartments and improve affordability for extremely low-income families (30 percent or less of area median income).
- Base income limits for bond-financed rural Housing Credit developments on the greater of area median gross income and the national nonmetropolitan median income, consistent with the current treatment of income limits for other Housing Credit developments located in rural areas.
- Simplify the Housing Credit student rule.
- Establish a state-determined basis boost of up to 50 percent for units in Housing Credit properties that are reserved for extremely low-income households.
- Repeal the Qualified Census Tract (QCT) population cap.
- Increase the population percentage cap for Difficult Development Areas.

Multifamily Bonds

- Extend multifamily Housing Bond recycling authority by: lengthening the period after repayment during which multifamily Housing Bonds may be recycled from six months to one year; allowing state HFAs to recycle repaid multifamily housing bond proceeds more than once during the four-year period after original issue; and permitting recycled bond authority to be used for single-family housing, 9 percent Housing Credit transactions, and economic development.



Mortgage Revenue Bonds and Mortgage Credit Certificate Programs

- Eliminate the MRB purchase price limits.
- Repeal the MRB refinancing prohibition.
- Eliminate the MRB home improvement loan limit or at least increase it by an amount at least adequate to reflect the rise in construction costs since it was first established and index it for construction cost inflation annually thereafter.
- Exempt all refunding Housing Bonds from the Alternative Minimum Tax (AMT).
- Strengthen the Mortgage Credit Certificate (MCC) program by making it more efficient and easier to administer.
- Repeal the Mortgage Revenue Bond (MRB) Ten-Year Rule to allow MRB issuers to use payments on mortgages financed by MRBs that have been outstanding for ten or more years to make new mortgages for more lower-income families rather than redeem the outstanding bonds.



2018 Business Priorities

In 2018, to help HFAs expand their market impact, enhance their programs' effectiveness, improve the execution of their business activities, and promote business-oriented innovation, NCSHA will:

- Help HFAs develop potential new lending executions and capital access options that help them better serve their targeted customers and meet their mission-related objectives.
- Investigate the possibility of HFA cooperative arrangements that leverage HFAs' collective strength and capacity.
- Work with HFAs to develop better data collection practices that support NCSHA's and HFAs' advocacy, communications, and business development efforts.
- Retain and expand existing and pursue new preferred HFA lending relationships with HUD, Rural Development, Fannie Mae, Freddie Mac, the Federal Home Loan Banks (FHLBs), Ginnie Mae, and Private Mortgage Insurance (PMI) companies.
- Engage in more proactive outreach to the media, with the goal of more broadly communicating NCSHA's priorities and the HFA brand.
- Facilitate HFA implementation of NCSHA's newly revised Housing Credit recommended practices.
- Work with a third-party consultant to conduct an independent analysis of Housing Credit development cost trends and influencers and state allocating agency cost controls.